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SUBJECT: JORDAN RELEASES INITIAL REPORT ON ALLEGED LABOR ABUSES IN THE GARMENT INDUSTRY

REF: A. AMMAN 3401  
    [B.](#) AMMAN 3327  
    [C.](#) AMMAN 3257

Classified By: AMBASSADOR DAVID HALE FOR REASONS 1.4 (B) AND (D).

[11.](#) (SBU) SUMMARY: On May 18, Minister of Labor Bassem Salem released the Ministry of Labor's (MOL) initial report of its actions regarding alleged labor abuses in the Qualifying Industrial Zone (QIZ) garment industry (Ref C). The MOL report indicates serious problems with QIZ factories' underpayment, non-payment, excessive overtime hours and other violations of safety and health codes, as well as improper administration of guest workers' paperwork. On the basis of MOL inspectors' spot visits to QIZ factories (including all of the factories noted in a report by the private, U.S.-based National Labor Committee), the MOL issued 248 citations for non-compliance with GoJ regulations. Other actions include plant closures and new GoJ measures implemented to safeguard foreign guest workers' rights. Salem also released a proposed "Action Plan" that provides in-depth corrective measures to ensure that Jordan is meeting or exceeding international labor standards. The GoJ report is frank in its self-criticism, noting many deficiencies in a number of GoJ ministries and corrective actions already taken, including many of the key recommendations made by the National Labor Committee (NLC), whose highly publicized report had sparked this review of labor practices in Jordan. The NLC has indicated general support for GoJ measures. END SUMMARY.

Labor Ministry Finds Multiple Violations

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[12.](#) (U) Minister Salem released a 33-page report and seven-page "Action Plan" outlining the findings of 25 MOL inspectors who had followed specially-prepared MOL guidelines in reviewing the operations of factories in five separate Qualifying Industrial Zones (QIZs). (Post is forwarding English versions of these texts to NEA/ELA.) Salem noted the MOL found serious labor, health and safety violations in many of the factories. Salem said the investigation to date had found no evidence to support allegations of physical or sexual abuse of foreign workers. He stressed that the random-sampling, open interview technique the MOL used with foreign workers may not have been able to adequately ascertain all of the facts. (Note: Investigations are

continuing.)

**¶3.** (SBU) According to the MOL report, of the 28 QIZ contractor and sub-contractor factories cited in the NLC report, three had since closed and three were found to have never been established in Jordan (Note: NLC representatives told us they may have mis-heard the names in their interviews of laborers). The MOL investigated the 22 remaining factories and in addition, began the process of what one MOL contact told us will be a review of all factories producing garments destined for the U.S. market. To date, the MOL has issued 107 citations against the companies noted in the NLC report and another 141 citations against the other companies investigated so far. The vast majority of the offending companies are sub-contractors, not allowed to apply to a government committee that reviews products for compliance with the U.S.-Israel-Jordan QIZ agreement on Israeli content that gives duty-free access to the U.S. (Note: Many of the approved QIZ companies have contracts with major U.S. buyers, which have labor compliance codes to be enforced by visiting expatriate auditors. End Note.) Two sub-contractor companies slated for temporary closure - Mina in Al-Hassan QIZ, and Southern in Tajamouat QIZ - will be allowed to reopen once deficiencies are corrected, according to MOL sources.

#### Major Findings

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**¶4.** (U) The major findings of the report on labor violations in QIZ factories (most applying to guest workers) are:

- Excessive overtime (Note: GoJ law specifies a 60-hour limit in any seven-day period);
- Under-payment of wages, due to violations in wage calculations;
- Non-payment of wages;
- Violations of work permit regulations for guest workers (no permits; failure to renew);
- Violations of Social Security requirements (registration, withholding, and payments);
- Multiple violations of health and safety codes; and,
- Overcrowded dormitory housing and lack of hygiene in bathrooms.

**¶5.** (SBU) In a chart of allegations made for each company, the report notes either "no complaint" or "could not verify" for allegations of physical or sexual abuse. Among the GoJ shortcomings listed in the report is the failure of the Ministry of Interior to follow up allegations regarding such abuses. In the "Action Plan" (only partially implemented to date), a recommendation notes the Ministry of Interior is investigating allegations covering the past 12 months, and will bring criminal charges against QIZ owners and managers if warranted.

#### Corrective Steps Taken

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**¶6.** (U) In addition to citations for non-compliance, the Ministry of Labor has:

- Temporarily suspended the hiring of foreign workers;
- Announced that no employer is authorized to hold a guest worker's passport unless the worker personally agrees in writing;
- Requested companies to draft work contracts in the workers' native language, certified by the workers' embassy;
- Opened labor inspection offices in the QIZ compounds; and,
- Established complaint boxes in each factory to be opened only by specialized inspectors.

#### More Steps Planned

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**¶7.** (U) The Ministry of Labor also announced GoJ-approved actions to be taken imminently, including a telephone hotline and a "Golden List" of companies complying with labor standards. The MOL plans to consult with the International Confederation of Free Trade Unions (ICTFU) on inclusion of

guest workers within the General Confederation of Jordanian Trade Unions. (Comment: Their inclusion would require amendment to Jordan's Law on Unions. An interim step being considered is to allow foreign workers to organize associations that might partially mimic unions. End Comment.) The "Action Plan", which encompasses all types of guest workers -- including household domestic workers -- has yet to be approved in the inter-agency process, and includes more long-term measures such as MOL capacity-building and improvements to the labor inspection system.

GoJ engaged with NLC Officials

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¶8. (C) In a private discussion with Emboffs, NLC and United Steelworkers representatives visiting Jordan said May 17 that they had met with Minister Salem and Minister of Industry and Trade Sharif Zu'bi, as well as QIZ industry representatives, and had received "positive responses across the board" and commitments to quickly remedy any problems found. They characterized the GoJ response to date as the "best response" they had seen in their dealings with labor issues over the years in some 20 nations.

Challenges: Back Wages, Full Labor Unions

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¶9. (C) Challenges remain, however. A major concern is the ability of guest workers in QIZs to secure back wages owed them, especially due to employers' miscalculation of overtime and/or illegal application of a piece-work system. NLC's Kernaghan said a "symbolic payment" might be all that workers could expect. He suggested that Jordan should remove non-compete clauses from guest workers' contracts to permit them to move to employers of their choice. NLC will be formally recommending this, noting that such freedom of movement would help raise labor standards in Jordan. The NLC would also like to promote the presence of foreign NGO's

(e.g., from Bangladesh) in Jordan to promote workers' rights.

¶10. (C) COMMENT: While the response to labor abuse allegations is still a work in progress and much remains to be done, the GoJ has shown determination in tackling the challenge to guarantee international labor standards for all workers in Jordan.

HALE